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ocratic doctrines are devoid of originality. Only with respect to his latest *Mémoire*, published in 1759, fifteen years after the *Œconomiques*, must this judgment be modified; and, by that time, the historic articles on "Fermiers" and "Grains" had long been in the hands of the public, and the *Tableau Economique* itself had actually appeared.

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*Das Malthus'sche Bevölkerungsgesetz und die theoretische Nationalökonomie der letzten Jahrzehnte.* By SIEGFRIED BUDGE. Volkswirtschaftliche Abhandlungen der badischen Hochschulen, Neue Folge, Heft 8. (Karlsruhe: G. Braunsche Hofbuchdruckerei und Verlag. 1912. Pp. 221. 4.20 M.)

It is not surprising, in view of the population situation on the Continent, that German scholars in recent years have piled up a literature on the economics of population of which there is hardly a counterpart in this country. The monograph before us is a fine example of keen, close thinking in one of the most difficult fields of economic theory—the dynamics of the productive relation between population and natural resources. The author brings to his task a clear understanding of the fundamental social and ethical importance of his subject, a wide knowledge of the German and French literature, and an analytical and critical ability that makes his work a model of scholarship. His exposition of the theory of Malthus is exceptionally clear.

From a utilitarian, as distinct from a purely scholastic, point of view, it makes little difference whether Malthus discovered an imperishable principle of population or not. His work, like that of any other writer, should be used for the discovery of new truth. Mere discipleship is to be avoided. It would be easy for a student to lapse into an attitude of worshipful defense of everything Malthus said, whether it be of any importance today or not. This danger, as well as the opposite one of attacking everything "Malthusian," Dr. Budge skillfully avoids. He is interested, properly, in establishing, or at least in clearing the ground for, a population theory that will be not only true, but illuminative of the boundaries within which human progress—at least on its material side—can take place. That he, with Malthus, finds the most significant limits to lie in laws or tendencies of nature rather than in ephemeral and man-made social conditions, is not surprising, at least to the economist.

Much attention is given to this distinction between natural law (diminishing returns, reproductive instinct) and social conditions, a distinction which is, of course, of the utmost importance, and one almost wholly overlooked by the socialists and those sociologists who ridicule any fear of overpopulation. Malthus, says Dr. Budge, did not overlook the social factors, but he did see the fundamental significance of diminishing returns, although he did not know the fact by that name. Dr. Budge is a refreshing exception to the ordinary run of Malthusian critics: he has read Malthus. That is perhaps why in the end he emerges a redoubtable defender of Malthus. He follows critically the fate of the theory at the mercies of the modern economists, sociologists, and socialists, limiting his attention, except where he discusses population and wages, to comparatively recent writers, pointing out their misunderstandings and misemphases, holding the while to the fundamentals, diminishing returns and standard of living; and finally upholding, against the psychological, physiological, and social capillarity theorists, that the fundamental cause of the declining birth-rate and stationary populations is of a strictly economic nature, in entire accord with the theory of Malthus.

The second and third chapters are devoted to a lengthy discussion of the two main groups of critics—those who advance various objections to the validity of the law of diminishing returns, and those who hold in one way or another that the economic and social history of the nineteenth century has demonstrated that the population movement is based on social, and therefore modifiable, law, and not on immutable natural conditions. Comparatively small space is given to this second group and they are disposed of perhaps rather too summarily. The keenest and most illuminating part of the book is the hundred pages dealing with the first group of critics and the forces which in the long run determine the limits of subsistence (*Nahrungsspielraum*). Three oft-reiterated objections to diminishing returns are here disposed of: (1) That diminishing returns will be continuously and indefinitely set aside by improvement in agricultural technique; (2) that they will be counterbalanced by increasing returns in manufacturing and transportation; (3) that increasing population is itself a cause of increased productivity and hence of larger economic incomes. The arguments here brought against writers like Cannan and Franz Oppenheimer are partly statistical, partly analytical. Space forbids any reproduction of them, but they will be found amply worth perusal.

The validity of diminishing returns established, the author then turns to the relation between potential food supply and wages, and gives a most interesting discussion of the classic wage theories and some of their modern modifications. He seems here ignorant of the more recent American literature. In its essentials, with proper interpretation, he accepts the wages fund theory; the standard of living looms large as a sort of buffer between increased cost of living and increasing population. Given a certain standard of living, real wages must sink or population growth cease. There is a point of fundamental interest in all this. It raises the question whether after all Ricardo and Malthus did not get nearer to a significant wage theory than have the modern writers with all their refinements. Today, in general, we may perhaps say that in both the specific productivity theory of wages and Taussig's "discounted marginal product" theory the future of the laboring classes depends upon a race between what John Rae called the effective desire of offspring and what we may call the effective desire of saving and investment. Dr. Budge is apparently unfamiliar with Taussig's later work; but may there not be considerable truth in his suggestion that Taussig overlooks, or at least under-emphasizes, the fact that real wages must in the long run depend upon the relation between agricultural productivity to industrial productivity, or, otherwise expressed, upon the relation between the cost of producing indispensable subsistence to the cost of producing dispensable things. Again and again we are driven back to diminishing returns as a fundamental limiting factor not only of wages but of interest and profits. Diminishing agricultural returns, and the effective desire for offspring are the primary factors, and the interest rate and the effective desire for saving, which Taussig makes fundamental, turn out to be secondary.

The discussion of the socialists will be found interesting. It is to be regretted that no more attention is given to Kautsky, who, apparently almost alone among socialists, recognizes the importance of the population problem.

Finally, one can agree with most of the author's criticisms of the "sociological" explanations of the declining birth-rate without arriving at his final conclusion that the "population problem is shot through and through with an inner tragedy." That is, if a people does not cut down its birth-rate, it starves; if it does,

it falls prey to exterior barbarism. Such a natural selectionist view is really not in accord with Malthus, nor is it necessary.

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*Economic Liberalism.* By HERMANN LEVY. (London: Macmillan and Company. 1913. Pp. xi, 124.)

This monograph appeared first in German in 1902 and was translated ten years afterwards. In the translation the use of material which has appeared since the original publication is obvious. Although dealing primarily with English thought in the seventeenth century, it is of distinct value to any one wishing to understand the changes in ideas, even in the United States, at the present time. The "economic liberalism" of which Levy writes is not a body of free-trade or laissez-faire formulas, but that deeper attitude toward the life of the individual and of society which was of the very blood and bone of most of the ancestors of the readers of this review.

No one can deny that today, both in England and in this country, there has been an almost revolutionary change, not only in our attitude toward specific measures, but in our general viewpoint toward social problems and especially the relation of the individual to the state. This, perhaps, is both essential and desirable. What one cannot fail to regret, however, is that so many of the present generation take an attitude of petulant hostility toward the older views and look on them merely as an expression of blindness and narrow-mindedness. President Hyde of Bowdoin once referred to the "New England conscience" as "butt of our jests, but sovereign of our souls." The old liberalism may today be described in much the same terms. It was fought for by our ancestors with a zeal worthy of more romantic causes and with motives which went far deeper than a personal desire to accumulate and possess property in peace. This monograph by Dr. Levy aims to show the beginnings of this movement. It contains some detail as to actual measures in which liberalism worked itself out, and one might perhaps criticise the inclusion of some of these to the exclusion of others. But, after all, these are not essential to the author's main object. The chief criticism might seem to be the slimness of the work, especially on the side of tracing the literary development of the concepts underlying the liberal philosophy. For instance, the seventh chapter, entitled